

25 APRIL 2013

**BRITISH AMERICAN TOBACCO p.l.c.**

**INTERIM MANAGEMENT STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2013**

## **A GOOD START TO 2013**

- **Good revenue growth of 5% at constant rates of exchange**
- **Revenue growth of 1% at current rates of exchange**
- **Cigarette volumes from subsidiaries decreased by 3.7% to 160 billion, with a decrease of 3.4% for total tobacco volumes**
- **Global Drive Brand cigarette volumes grew by 1.0%**

Nicandro Durante, Chief Executive, commented: "This is a good performance against a backdrop of fragile economic conditions persisting in many parts of the world. We have grown revenue, our pricing momentum remains strong and our Global Drive Brands continue to perform well. It is a good start and I remain confident of another year of earnings growth in line with our long term strategic goals."

### **SUMMARY OF PERFORMANCE**

#### **Trading update**

British American Tobacco performed well in the three months to the end of March 2013 with continued growth in revenue and Global Drive Brands. Market share grew strongly in the Group's Top 40 markets, although volumes were lower than last year as a result of the adverse impact of excise-driven trade inventory movements in Brazil, the leap year comparator and industry volume decline.

Group revenue for the three months, at constant rates of exchange, grew by 5%, driven by a strong pricing environment. At current exchange rates, revenue grew by 1%, as movements in some of the Group's key trading currencies adversely impacted revenues.

Cigarette volumes from subsidiaries were 160 billion, down 3.7%, with growth in many markets, including Bangladesh, Pakistan and Vietnam, more than offset by lower volumes in Brazil, as a result of trade inventory movements, the leap year comparator and market declines in southern Europe.

The four Global Drive Brands' cigarette volumes were up by 1%, with their market share growing strongly in the Group's Top 40 markets. Dunhill volumes increased by 5%, with good growth in Indonesia, the Middle East and South Korea, partially offset by declines in Brazil. Kent was 7% lower, driven by market declines in Russia and Japan. Lucky Strike volumes were down by 9%, with increases in Germany, Poland and Italy, more than offset by market declines in Spain and lower volumes in the Middle East. Pall Mall was up by 9%, largely as a result of growth in Pakistan, Chile, Canada and Italy, partially offset by declines in Uzbekistan and Spain.

Other tobacco products performed well, with Fine Cut tobacco growing strongly, driven by a 9.5% increase in Western Europe. Pall Mall, the biggest Fine Cut brand in Western Europe, was up by 21.2% with growth in Spain, France, Italy and Belgium.

Follow us:

 Twitter: @BATPress

 YouTube: [www.youtube.com/welcometobat](http://www.youtube.com/welcometobat)

 Flickr: [www.flickr.com/photos/welcometobat](http://www.flickr.com/photos/welcometobat)

**Trading environment**

The pricing environment remains strong despite difficult trading conditions in many parts of the world, notably southern Europe. If current exchange rates persist for the rest of the year, the currency headwind that adversely impacted the quarter will reverse.

**Cigarette volumes**

The segmental analysis of the volumes of subsidiaries was as follows:

	<b>3 months to 31.03.13</b>	3 months to 31.03.12	Year to 31.12.12
	bns	bns	bns
Asia-Pacific	48	45	188
Americas	32	37	142
Western Europe	26	29	129
EEMEA	54	55	235
	<hr/>	<hr/>	<hr/>
	160	166	694
	<hr/>	<hr/>	<hr/>

**SHARE BUY-BACK PROGRAMME**

The Group resumed an on-market share buy-back programme from 1 March 2013. During the three months to 31 March 2013, 3.5 million shares were bought at a cost of £123.5 million, excluding transaction costs.

**FINANCIAL POSITION**

The Group has sufficient financing and facilities available for the foreseeable future.

The changes in the financing arrangements of the Group since the beginning of the financial year were the issue in March of a new €650 million bond with a maturity of 2025, and a new US\$300 million bond with a maturity of 2016. These issues were in anticipation of the repayment of bonds that will expire later in 2013 and the beginning of 2014.

There have been no material events, transactions or changes in the financial position of the Group since the year end, other than as outlined in this statement. Further, the Board is not aware of any material events, transactions or changes in the financial position of the Group which have occurred up to and including 24 April 2013, being the latest practicable date before the date of the publication of this Interim Management Statement.

On behalf of the Board

**Nicola Snook**

Secretary

24 April 2013

Follow us:

 Twitter: @BATPress

 YouTube: [www.youtube.com/welcometobat](http://www.youtube.com/welcometobat)

 Flickr: [www.flickr.com/photos/welcometobat](http://www.flickr.com/photos/welcometobat)

## **NOTES AND ADDITIONAL INFORMATION**

British American Tobacco is the world's second largest quoted tobacco group by global market share, with brands sold in more than 180 markets. We have four Global Drive Brands – Dunhill, Kent, Lucky Strike and Pall Mall - and over 300 brands in our portfolio. We hold robust market positions in each of our regions and have leadership positions in more than 50 markets.

### **Disclaimers**

This Interim Management Statement (IMS) relates to the three months ended 31 March 2013 and contains information that covers the three months and the period since the first quarter end to 24 April 2013, being the latest practicable date before the date of the publication of this IMS.

This announcement does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any British American Tobacco p.l.c. shares or other securities.

This IMS contains certain forward looking statements which are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates. It is believed that the expectations reflected in this announcement are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

### **Distribution of this Interim Management Statement (IMS)**

The IMS is released to the London Stock Exchange and the JSE Limited. It may be viewed and downloaded from our website, [www.bat.com](http://www.bat.com)

Copies of the IMS may also be obtained during normal business hours from: (1) the Company's registered office; (2) the Company's representative office in South Africa; and (3) British American Tobacco Publications, details of which are given below.

## **FINANCIAL CALENDAR 2013**

8 May	Payment date of 2012 final dividend
31 July	Half-Yearly Report
23 October	Interim Management Statement

## **HALF-YEARLY REPORT AND INTERIM DIVIDEND**

With particular reference to the Company's obligations in respect of the secondary listing of its ordinary shares on the JSE, the proposed dates in respect of the Half-Yearly Report and the interim dividend for the year ending 31 December 2013 are currently scheduled as follows:

Follow us:

 Twitter: @BATPress

 YouTube: [www.youtube.com/welcometobat](http://www.youtube.com/welcometobat)

 Flickr: [www.flickr.com/photos/welcometobat](http://www.flickr.com/photos/welcometobat)

**2013**

Wednesday 31 July	Half-Yearly Report (to include announcement of declaration of interim dividend: amount of dividend per share in both sterling and rand; applicable exchange rate and conversion date – 29 July 2013; plus additional applicable information as required in respect of South African dividend tax).
Wednesday 31 July to Friday 23 August	From the commencement of trading on Wednesday 31 July 2013 to Friday 23 August 2013, no removal requests in either direction between the UK main register and the South Africa branch register will be permitted.
Friday 16 August	Last Day to Trade or LDT (JSE)
Monday 19 August to Friday 23 August	No transfers between the UK main register and the South Africa branch register will be permitted; no shares may be dematerialised or rematerialised between these inclusive dates.
Monday 19 August	Ex-dividend date (JSE)
Wednesday 21 August	Ex-dividend date (LSE)
Friday 23 August	Record date (LSE and JSE)
Monday 30 September	Payment date (sterling and rand)

**Note:** Any changes to the dates set out above will be announced. This timetable will be included in the Half-Yearly Report scheduled for release on Wednesday 31 July 2013.

**CORPORATE INFORMATION**

**Premium listing**

London Stock Exchange (Share Code: BATS; ISIN: GB0002875804)  
Computershare Investor Services PLC  
The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, UK  
tel: 0800 408 0094; +44 (0)870 889 3159  
Share dealing tel: 0870 703 0084 (UK only)  
Your account: [www.computershare.com/uk/investor/bri](http://www.computershare.com/uk/investor/bri)  
Share dealing: [www.computershare.com/dealing/uk](http://www.computershare.com/dealing/uk)  
Web-based enquiries: [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)

**Secondary listing**

JSE (Share Code: BTI)  
Shares are traded in electronic form only and transactions settled electronically through Strate.  
Computershare Investor Services (Pty) Ltd  
PO Box 61051, Marshalltown 2107, South Africa  
tel: 0861 100 925; +27 11 870 8222  
e-mail enquiries: [web.queries@computershare.co.za](mailto:web.queries@computershare.co.za)

Follow us:

 Twitter: @BATPress

 YouTube: [www.youtube.com/welcometobat](http://www.youtube.com/welcometobat)

 Flickr: [www.flickr.com/photos/welcometobat](http://www.flickr.com/photos/welcometobat)

**American Depository Receipts (ADRs)**

NYSE MKT Equities (Symbol: BTI; CUSIP Number: 110448107)

Sponsored ADR programme; each ADR represents two ordinary shares of British American Tobacco p.l.c.

Citibank Shareholder Services

PO Box 43077

Providence, Rhode Island 02940-3077, USA

tel: 1-888-985-2055 (toll-free) or +1 781 575 4555

e-mail enquiries: [Citibank@shareholders-online.com](mailto:Citibank@shareholders-online.com)

website: [www.citi.com/dr](http://www.citi.com/dr)

**Publications**

British American Tobacco Publications

Unit 80, London Industrial Park, Roding Road, London E6 6LS, UK

tel: +44 (0)20 7511 7797; facsimile: +44 (0)20 7540 4326

e-mail enquiries: [bat@team365.co.uk](mailto:bat@team365.co.uk) or

Computershare Investor Services (Pty) Ltd in South Africa using the contact details shown above.

**British American Tobacco p.l.c.**

**Registered office**

Globe House

4 Temple Place

London

WC2R 2PG

tel: +44 (0)20 7845 1000

British American Tobacco p.l.c. is a public limited company which is listed on the London Stock Exchange and the JSE Limited in South Africa. British American Tobacco p.l.c. is incorporated in England and Wales (No.3407696) and domiciled in the UK.

**British American Tobacco p.l.c.**

**Representative office in South Africa**

34 Alexander Street

Stellenbosch

7600

South Africa

(PO Box 631, Cape Town 8000, South Africa)

tel: +27 (0)21 888 3722

**ENQUIRIES:**

**INVESTOR RELATIONS:**

Mike Nightingale 020 7845 1180

Rachael Brierley 020 7845 1519

**PRESS OFFICE:**

Kate Matrunola/ 020 7845 2888

Jem Maidment/

Will Hill

Follow us:

 Twitter: @BATPress

 YouTube: [www.youtube.com/welcometobat](http://www.youtube.com/welcometobat)

 Flickr: [www.flickr.com/photos/welcometobat](http://www.flickr.com/photos/welcometobat)